



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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Legislative Fiscal Analyst  
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DATE: March 7, 2006

TO: Legislative Finance Committee

FROM: Taryn Purdy

RE: Operating Plan Changes and Program Transfers

Sections 17-7-138 and 17-7-139, MCA, require that cumulative operating budget changes (in any budget category) and program transfers of \$25,000 and 25 percent or \$1,000,000 must be brought before the Legislative Finance Committee (LFC) prior to implementation, unless of a time sensitive nature. The Office of Budget and Program Planning has 2 operating plan changes and 5 program transfers that meet these criteria. The attached memoranda from OBPP explain the changes.

LFD staff has reviewed the proposed changes and notes the following:

- The transfer of funds from the Montana Highway Patrol for major litigation expenses signals the likely request for supplemental funding for major litigation costs in FY 2007, as briefly discussed in the memo from Pat Gervais under tab 5
- o The transfer of \$2.0 million from the Water Resources Division to the Forestry Division in the Department of Natural Resources and Conservation (DNRC) is part of the supplemental proposal submitted by the Governor to fund fire costs. The transfer is to provide the authority in the Forestry Division, which is then proposed for transfer from FY 2007 to FY 2006, as discussed in the appropriations transfer memo from Barb Smith under tab 6
- o The Department of Public Health and Human Services op plan change that moves funds among operating expenses, grants, and benefits is the result of an issue raised by staff concerning the most appropriate classification of certain expenditures (this issue was addressed by the committee in December and discussed under tab 16). Because the change was received immediately prior to the meeting, staff has not has an opportunity to determine if all of the relevant expenditures are included